

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 564 – HB 585

March 28, 2017

SUMMARY OF ORIGINAL BILL: Authorizes a nonprofit medical college educational institution located in Shelby or Davidson County to claim and file an application for property tax exemption up to three years prior to the date of application or the date the institution began to use the property for exempt purposes, whichever is later.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue - \$735,100/FY17-18/Davidson County

Increase Local Expenditures - \$130,700/FY17-18/Davidson County*

SUMMARY OF AMENDMENT (005818): Deletes language of the original bill that referenced nonprofit medical college educational institutions located in Shelby County. Clarifies that a county is not required to refund any taxes collected prior to the effective date of the act.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease Local Revenue - \$735,100/FY17-18/Davidson County

Assumptions for the bill as amended:

- This analysis assumes institutions eligible for a property tax exemption under this legislation will file and be granted an exemption.
- Based on information provided by the State Board of Equalization, one nonprofit medical college education institution would immediately benefit from this legislation.
- Based on information provided by the Metropolitan Government of Nashville and the Davidson County Assessor's Office, there are three parcels qualifying for a property tax exemption under this legislation located in Davidson County and owned by Meharry Medical College.
- Based on information provided by the Metropolitan Government of Nashville and the Davidson County Assessor's Office, property taxes for 2015 in the amount of \$354,719 and for 2016 in the amount of \$380,359 have not yet been paid.

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- This legislation will result in a decrease of local revenue to Davidson County totaling \$735,078 (\$354,719 + \$380,359) in FY17-18.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee" followed by the letters "RNC" in a smaller, lighter script.

Krista M. Lee, Executive Director

/amj